

## FTI Consulting Inc. (FCN)

**\$176.54** (Stock Price as of 12/19/2025)

Price Target (6-12 Months): **\$174.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 12/24/24)

Prior Recommendation: Underperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**2-Buy**

Zacks Style Scores:

VGM: C

Value: B

Growth: C

Momentum: D

### Summary

FTI Consulting's top line benefits from diversified offerings and international operations. We expect FCN's service demand to rise due to increased regulatory scrutiny and a proliferation in corporate litigation. A strong liquidity position is a green flag for investors. FCN's share buyback strategy appeals to investors as well. At the same time, it's worth keeping in mind that FTI doesn't pay a dividend. In such a situation, it would be an additional challenge for a company that is dependent on retaining a skilled and therefore expensive talent base. A competitive market and seasonal fluctuations add complexity to estimates. The stock has decreased 19.7% in a year, and we have a Neutral rating in anticipation of a lower entry level for investors.

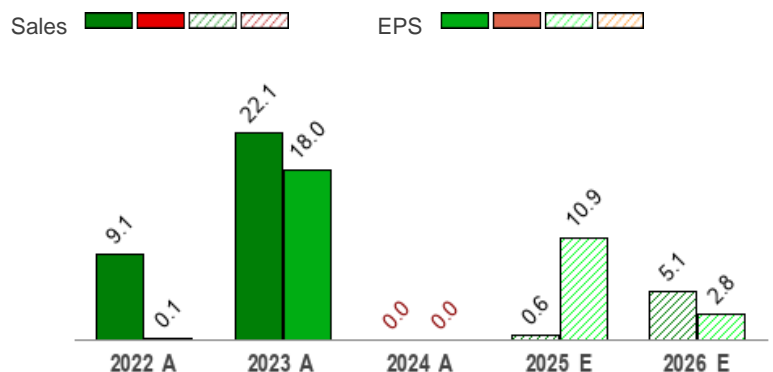
### Price, Consensus & Surprise<sup>(1)</sup>



### Data Overview

52 Week High-Low	\$204.69 - \$149.31
20 Day Average Volume (sh)	299,672
Market Cap	\$5.5 B
YTD Price Change	-7.6%
Beta	0.11
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<a href="#">Consulting Services</a>
Zacks Industry Rank	Top 20% (47 out of 243)

### Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



Last EPS Surprise	34.7%
Last Sales Surprise	1.4%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/19/2026
Earnings ESP	0.0%

### Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	952 E	982 E	985 E	992 E	3,911 E
2025	898 A	944 A	956 A	958 E	3,721 E
2024	929 A	949 A	926 A	895 A	3,699 A

### EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	2.05 E	2.15 E	2.55 E	2.36 E	9.11 E
2025	2.29 A	2.13 A	2.60 A	2.26 E	8.86 E
2024	2.23 A	2.34 A	1.85 A	1.56 A	7.99 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/19/2025.

(2) The report's text and the price target are as of 12/02/2025.

## Overview

Based in Baltimore, Maryland, and founded in 1982, FTI Consulting is a global business advisory firm aimed at helping organizations manage change, mitigate risk and resolve financial, legal, operational, political and regulatory, reputational, and transactional disputes. The company provides specialized consulting services across 34 countries with a total headcount of more than 8,374 employees. FTI has a team of highly qualified professionals, who provide problem-solving and technology services primarily to major corporations, financial institutions and law firms. Its client list comprises a large percentage of the Fortune 500 companies, the FTSE 100 companies, as well as the majority of the largest 25 banks and the top 100 law firms in the world.

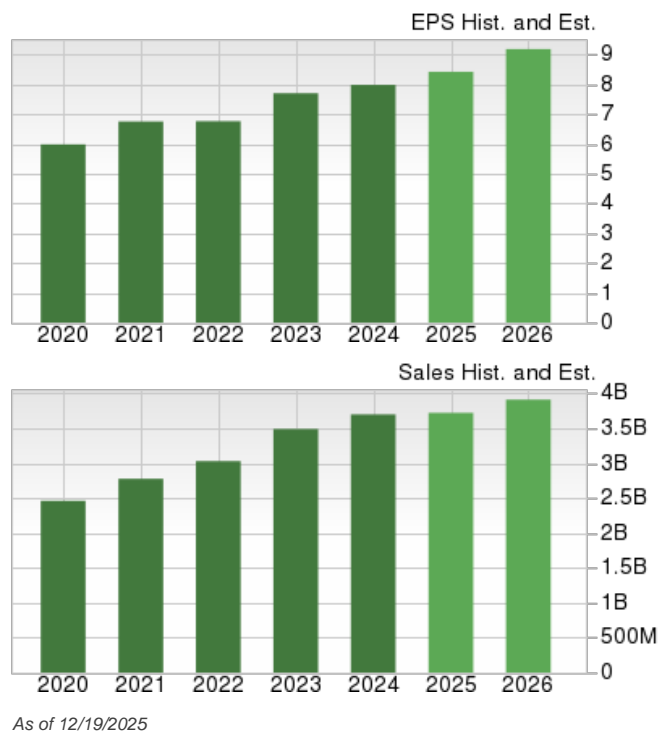
The Corporate Finance and Restructuring segment (38% of 2024 revenues) focuses on the strategic, operational, financial and capital needs of businesses. The company offers turnaround and restructuring, business transformation, strategy and transaction support.

The Economic Consulting segment (23%) provides law firms, companies, government entities and other interested parties with a clear analysis of complex economic issues for legal and regulatory proceedings, strategic decision making and public policy debates in U.S.

The Forensic and Litigation Consulting segment (19%) provides law firms, companies, government clients and other interested parties with end-to-end forensic and litigation services including pre-filing assessments, discovery, trial preparation, expert testimony, and other trial support services.

The Technology segment (11%) provides products, services and consulting to law firms, corporations and government agencies, and also focuses on collection, preservation, review and production of electronically stored information.

The Strategic Communications segment (9%) provides advice and consulting services related to financial communications, brand communications, public affairs and reputation management and business consulting.



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## Reasons To Buy:

- ▲ FTI Consulting's **diversified offerings and international operations** strengthen top-line growth prospects. In 2024, the company earned almost 36% of its revenues from its international businesses. The broad range of practices and services, diversified revenue streams, specialized industry expertise, and global reach differentiate FTI Consulting from its competitors. This diversification assists the company in mitigating the impacts of economic cycles, crises, events and changes in a particular practice, industry, or country. FCN's revenues have grown at a compound annual growth rate of 8.5% from 2020 to 2024.
- ▲ **Increased regulatory scrutiny and a proliferation of corporate litigation** are likely to increase the demand for FTI Consulting's products. Additionally, structural change has become a necessity in the rapidly evolving global markets as management teams look to fend off rivals, protect intellectual property rights and transform businesses via M&A, divestiture and other restructuring activities. These developments call for FTI Consulting's specialized skill sets and are likely to boost its revenues.
- ▲ FTI Consulting's focus on quality service through a **skilled and diverse workforce** enhances its appeal to investors. By investing in employee development and competitive compensation packages, FCN retains top talent, driving performance and client satisfaction. This commitment to expertise and community support boosts its corporate image, potentially leading to greater client engagement and revenue growth. Additionally, as FCN continues to excel in its services, it becomes more attractive to investors who favor companies with strong operational foundations and promising growth prospects, ultimately supporting an increase in FCN stock value. The company's revenue per employee grew from \$436 thousand in 2023 to \$441 thousand in 2024. Although the growth is meagre when combined with an 8.5% CAGR from 2020-2024, it reflects workforce productivity, efficiency, and a commitment to maintaining high-quality talent standards.
- ▲ We are impressed by FTI Consulting's endeavors to **reward shareholders through share buybacks**. In 2024, 2023, 2022 and 2021, the company had repurchased shares worth \$10.2 million, \$21 million, \$85.4 million and \$46.1 million, respectively. This initiative instills investors' confidence.
- ▲ FCN reported a current ratio (a measure of liquidity) of 1.85 in the third quarter of 2025, above the industry's average of 1.29. **A current ratio above 1** suggests that a company is well-positioned to meet its short-term obligations without difficulty.

FTI Consulting's diversified offerings and international operations expand its geographic footprint and contribute to top-line growth.

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## Reasons To Sell:

- ▼ FCN's **operating expenses** have increased, with direct costs of revenues and selling, general, and administrative (SG&A) expenses rising significantly. In 2023, operating expenses increased 14.2% which then increased at a slower rate of 7.7%. However, the proportion of operating expense to the top line increased from 89% in 2023 to 91% in 2024. Such increases can deter investment as they reduce profitability, lowering net income and earnings per share. This weakens the company's appeal to investors seeking efficient cost management and robust returns.
- ▼ FTI Consulting never declared and currently **does not have any plan to pay cash dividends** on common stock. Investors seeking cash dividends should avoid buying FCN stock that has declined 19.7% in the past year.
- ▼ FCN's **businesses are highly competitive**. Competitors of the company include global accounting firms and large management and financial consulting companies that offer a diverse range of consulting services, investment banking firms, and information technology consulting and software companies. These companies offer specialized services or products identical or similar to that of FTI Consulting, thereby affecting its demand.
- ▼ FTI Consulting faces **intense competition in recruiting and retaining highly qualified professionals** to drive organic growth and support the expansion of its services and geographic footprint. FCN witnesses major attrition of its highly qualified employees in the normal course of business. In this environment, there is some uncertainty inherent in the company's ability to attract, integrate, motivate, retain, or replace qualified professionals. This tends to increase costs and, in some cases, reduce the operating margin.
- ▼ FTI Consulting's business experiences **seasonality**. Generally, professionals and clients tend to take vacations during the fourth quarter of the year, which impacts revenues across segments. Incentives are generally paid in the first quarter, thereby causing fluctuations in operating income and related cash flows. Additionally, the timing of investments or acquisitions and the expenses related to their integrations can cause fluctuations in the company's financial results. Seasonality causes considerable fluctuations in revenues and profits, making forecasting difficult.

Rising operating expenses and high employee attrition are likely to weigh on FTI Consulting.

## Last Earnings Report

### FTI Consulting Beats on Q3 Earnings

**FTI Consulting** reported impressive third-quarter 2025 results, wherein both earnings and revenues beat the Zacks Consensus Estimate.

Quarterly adjusted EPS came in at \$2.60, which beat the Zacks Consensus Estimate by 34.7% and increased 40.5% year over year. Total revenues of \$956.2 million beat the consensus estimate by 1.4% but fell 3.3% year over year.

**FY Quarter Ending** 12/31/2024

Earnings Reporting Date	Oct 23, 2025
Sales Surprise	1.40%
EPS Surprise	34.72%
Quarterly EPS	2.60
Annual EPS (TTM)	8.58

### FCN's Segmental Performance

Technology revenues decreased 14.8% year over year to \$94.08 million. The decline was primarily due to lower demand for merger and acquisition (M&A)-related "second request" services.

Economic Consulting revenues dropped 22% year over year to \$173.09 million due to lower demand for M&A-related antitrust, financial economics and non-M&A-related antitrust services, partially offset by higher realized bill rates.

Corporate Finance & Restructuring revenues gained 18.6% year over year to \$379.2 million. The increase in revenues was primarily due to increased demand for restructuring and transactions services and higher realized bill rates, partially offset by lower demand for transformation & strategy and transactions services.

Strategic Communications revenues increased 20.8% year over year to \$405 million. The rise in revenues was primarily driven by higher demand for corporate reputation services.

Forensic and Litigation Consulting revenues rose 15.4% year over year to \$195 million. Excluding acquisition-related revenues, higher realized bill rates for risk and investigations services, along with increased bill rates and demand for data & analytics services, primarily drove the increase in revenues.

### FCN's Margins Expand

Adjusted EBITDA came in at \$130.6 million, up 26.8% on a year-over-year basis. The adjusted EBITDA margin gained 260 basis points year over year to 13.7%.

### FCN's Balance Sheet and Cash Flow Figures

FTI Consulting exited the quarter with a cash and cash equivalent balance of \$145.97 million compared with the prior quarter's \$152.8 million. FCN generated \$201.9 million of cash from operating activities in the quarter. The capital expenditure was \$14.9 million.

### FCN's Guidance

FCN expects EPS for the full year to range between \$8.20 per share and \$8.70 per share. The company estimates that revenues for full-year 2025 will range between \$3.685 billion and \$3.735 billion. For the remainder of 2025, the company expects the effective tax rate to range between 22% and 24%.

## Valuation

FTI Consulting shares are down 14.1% in the year-to-date period and 19.7% in the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Business Services sector declined 29.4% and 9% year-to-date, respectively. In the past year, the Zacks sub-industry and sector declined 33.5% and 13.5%, respectively.

The S&P 500 index is up 20.2% in the year-to-date period and 17.6% in the past year.

The stock is currently trading at 17.98X forward 12-month price-to-earnings, which compares to 19.01X for the Zacks sub-industry, 20.26X for the Zacks sector, and 23.57X for the S&P 500 index.

Over the past five years, the stock has traded as high as 28.73X and as low as 17.05X, with a 5-year median of 21.97X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$174.00 price target reflects 19.06X price-to-earnings.

The table below shows summary valuation data for FCN

Valuation Multiples - FCN					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	17.98	19.01	20.26	23.57
	5-Year High	28.73	31.53	32.17	23.82
	5-Year Low	17.05	19.01	17.12	15.73
	5-Year Median	21.97	26.73	20.83	21.19
P/S F12M	Current	1.29	1.81	3.54	5.33
	5-Year High	2.26	3.05	5.7	5.5
	5-Year Low	1.25	1.81	2.69	3.83
	5-Year Median	1.78	2.51	3.63	5.04
P/B TTM	Current	2.9	4.97	5.37	8.52
	5-Year High	4.4	9.54	6.86	9.16
	5-Year Low	2.44	4.83	3.92	6.6
	5-Year Median	3.36	7.82	5.47	8.04

As of 12/01/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 20% (47 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
CBIZ, Inc. (CBZ)	Neutral	2
Charles River Associ...(CRAI)	Neutral	3
Equifax, Inc. (EFX)	Neutral	3
Exponent, Inc. (EXPO)	Neutral	2
Huron Consulting Gro...(HURN)	Neutral	2
Gartner, Inc. (IT)	Neutral	3
Stantec Inc. (STN)	Underperform	4
PAGEGROUP (MPGPF)	NA	

Industry Comparison <sup>(1)</sup> Industry: Consulting Services				Industry Peers	
	FCN	X Industry	S&P 500	CBZ	STN
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform
Zacks Rank (Short Term)	2	-	-	2	4
VGM Score	C	-	-	D	A
Market Cap	5.45 B	2.85 B	38.81 B	2.85 B	10.75 B
# of Analysts	2	4	22	2	5
Dividend Yield	0.00%	0.00%	1.41%	0.00%	0.70%
Value Score	B	-	-	B	C
Cash/Price	0.03	0.04	0.04	0.02	0.03
EV/EBITDA	12.68	13.25	14.58	30.57	18.64
PEG Ratio	2.94	1.35	2.21	NA	NA
Price/Book (P/B)	3.12	3.33	3.30	1.52	3.33
Price/Cash Flow (P/CF)	16.39	15.60	15.05	14.37	17.89
P/E (F1)	19.93	20.94	19.66	14.50	25.17
Price/Sales (P/S)	1.48	1.75	3.08	1.06	1.88
Earnings Yield	4.78%	4.78%	5.02%	6.90%	3.97%
Debt/Equity	0.29	0.43	0.57	0.80	0.53
Cash Flow (\$/share)	10.77	2.99	8.99	3.64	5.27
Growth Score	C	-	-	F	A
Hist. EPS Growth (3-5 yrs)	7.24%	14.27%	8.16%	19.44%	18.36%
Proj. EPS Growth (F1/F0)	10.89%	7.81%	8.60%	35.21%	15.79%
Curr. Cash Flow Growth	10.07%	10.28%	6.75%	15.55%	17.16%
Hist. Cash Flow Growth (3-5 yrs)	7.38%	7.38%	7.43%	14.37%	28.78%
Current Ratio	1.85	1.57	1.18	1.57	1.27
Debt/Capital	22.57%	30.12%	38.01%	44.53%	34.45%
Net Margin	7.20%	6.54%	12.78%	3.89%	6.06%
Return on Equity	14.49%	18.33%	17.00%	14.00%	17.37%
Sales/Assets	1.06	1.06	0.53	0.59	0.99
Proj. Sales Growth (F1/F0)	0.60%	1.73%	5.79%	54.40%	8.10%
Momentum Score	D	-	-	D	D
Daily Price Chg	1.06%	0.00%	0.79%	0.06%	1.08%
1 Week Price Chg	-0.04%	1.86%	-1.83%	1.93%	-1.44%
4 Week Price Chg	8.96%	6.38%	3.61%	4.66%	0.15%
12 Week Price Chg	9.93%	0.00%	2.57%	2.23%	-12.35%
52 Week Price Chg	-9.66%	-17.19%	15.47%	-34.94%	18.06%
20 Day Average Volume	299,672	182,907	2,770,348	656,646	239,290
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	-0.28%	-1.35%
(F1) EPS Est 12 week change	4.40%	0.72%	0.69%	0.00%	-3.80%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.77%	-2.19%



## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	<b>B</b>
Growth Score	<b>C</b>
Momentum Score	<b>D</b>
VGM Score	<b>C</b>

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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